

Attachment 1



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SECTION: National Desk

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HEADLINE: **Steel Price**, Availability Problems Put Public Construction at Risk, Contractors Warn Federal Agencies

DATELINE: WASHINGTON, Feb. 27

BODY: Soaring prices and shrinking availability of steel for construction jeopardizes completion of public construction ranging from bridges to vital buildings, the **Associated General Contractors of America** (AGC) said today in letters to a variety of senior federal officials. "Unprecedented run-ups in **steel prices** over the past few weeks" threaten the ability of general contractors and their subcontractors, usually small businesses, to complete projects on which "firm" **steel prices** have been replaced by "scrap surcharges" and other unexpected costs, said AGC Chief Executive Officer Stephen E. Sandherr. "Even more alarming, we are beginning to hear reports that suppliers will no longer guarantee delivery at any price because of fast-dwindling supplies of certain steel products."

Sandherr conveyed the seriousness of the problems facing contractors doing public construction in letters to Commerce Secretary Donald Evans; Federal Highway Administrator Mary Peters; Joseph Moravec, Commissioner of the General Services Administration's Public Buildings Service; Lieutenant General Robert Flowers, Commander of the U.S. Army Corps of Engineers; and Rear Admiral Michael Loose, Commander of the Naval Facilities Command.

"We are getting reports nearly every hour from contractors whose steel suppliers are imposing mammoth **steel price** increases, threatening to cut off promised supplies required to finish a project on time, or refusing even to provide pricing and delivery information that the contractor needs to bid on a job," Sandherr said. "We want to make sure these agencies know that projects they finance or purchase are in jeopardy, and that they will work with us to find solutions so AGC members can continue to deliver the best value to the federal government and the American taxpayer at the best price."

Sandherr offered to provide the officials and media with specific examples from different regions and industry segments.

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The **Associated General Contractors of America** (AGC) is the largest and oldest national construction trade association in the United States. AGC represents more than 35,000 firms, including 7,500 of America's leading general contractors, and over 12,000 specialty-contracting firms. Over 14,000 service providers and suppliers are associated with AGC through a nationwide network of chapters. Visit the AGC Web site at <http://www.agc.org>. AGC members are "Building Your Quality of Life."
<http://www.usnewswire.com>

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